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A-ONE #0137

11/12/99

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->From the Editor's Keyboard  
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"Saying it like it is!"

It figures that last week's issue was completed and published about an hour before one of the biggest stories in recent technology history hit the streets. Of course, I'm referring to the Microsoft antitrust case. We've been hearing about this case for many months; and it's finally starting to wind down with this initial decision against Microsoft.

Now the judge has to determine which antitrust laws were broken by Microsoft. Then the likely appeals, or perhaps a settlement. And then the "fun" will begin because I believe that there are going to be plenty of lawsuits brought against Microsoft before this is all said and done.

Was Judge Jackson's decision a good one? Well, the initial ruling was that Microsoft is a monopoly. Well, that's obvious. Will Jackson rule that Microsoft broke some antitrust laws? I'm sure that he will. What will happen after that is anyone's guess at the moment; there are a number of scenarios that we could speculate. Do I agree with the decision? Well, I certainly agree with the monopoly conclusion. I also feel that Microsoft did some things wrong. Were these things illegal? We'll find out. I believe that Microsoft strong-armed many along the way in such a manner that, at the least, is unethical.

I am also in awe of how Microsoft's lawyers handled the case. There were a lot of gaffs. Their witnesses were caught with contradictory statements; some of their defenses blew up in their face; and Jackson did his homework.

Am I happy with the chain of events so far? To a certain degree. I'm glad that [a] big business with a lot of power to monopolize the market is being held accountable, for a change, for its business practices. I'm not anti-Gates or Microsoft. I believe that they bullied people and companies along the way to the top. They misrepresented themselves during the trial at times (Explorer is a necessary component of Windows - bah!).

We've included a number of relative articles pertaining to this case in this week's issue. Also, we've included some of the highlights of Judge Jackson's decision, as well as Gates' reaction. As this case continues, we'll keep you informed.

Until next time...

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->A-ONE User Group Notes! - Meetings, Shows, and Info!  
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## AVC Net Meeting Update

The special net meeting with Scott Walters is this saturday (11/13/99) from 5pm (ct) (Scott has informed me that he will be online at 5:30pm (ct)) till 7:30pm (ct)(this to make up for the first 30 mins.)

The locations of the net meetings is on ICQ (my number is listed at the end of this message) and for those who don't have ICQ it will also be at the AVC Web chat room at <http://jupiter.beseen.com/chat/rooms/i/1858/> (Scott will be on ICQ but I'll relay the messages back forth from both rooms.

Hope to see you there.

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PEOPLE ARE TALKING  
compiled by Joe Mirando  
[jmirando@portone.com](mailto:jmirando@portone.com)

Hidi ho friends and neighbors. It's been another one of those weeks, I'm afraid. Things have gotten so hectic that it's hard to find the time to do the things you really want to do. Of course, I know that I'm not the only one with this problem. I know that it's the same for everyone these days, and that only the most supremely organized among us can manage to get to the things that they really want to do.

Unfortunately, I've never been much at organization. I'm lucky if I can get up on time, let alone stuff thirty hours worth of life into twenty-four.

One of the things I try to make sure I have the time for is my Atari computer 'stuff'. Now don't get me wrong, I don't do it out of any sense that it won't get done if I don't do it, or that I'm in any way important to what's left of the Atari world. I do it because I genuinely enjoy it. I find the Atari world to be a comfortable and friendly place where the friends and neighbors that I've come to think so much of over the past <ahem> few years keep my mind from turning to the intellectual equivalent of gruel. I wish I had the time to do more than just talk about some of the cool things that are happening around me these days. There are a few very cool products, either already available or soon to be released, that I could see myself spending days over, but the days just aren't available any more. Heck, I don't even have the time to put

together and configure a copy of StinG for a friend.

I've always been one of those people who actually enjoys digging around in the guts of a computer system to find out how it does what it does, whether it's hardware or software. My latest adventure is installing Linux on my PC laptop and trying to learn the commands and all the little quirks that every operating system has. It's taken me much, much longer to get things going with Linux than I would have liked, but again, there just aren't enough hours in the day. I've promised myself that I WILL get it done, but (quite wisely), I put no time limit on it. <grin>

As I said before, I know that I'm not the only one who's in this boat. But knowing that doesn't make it any easier does it?

Well, let's get to the news, hints, and all that other stuff on the UseNet.

From the comp.sys.atari.st NewsGroup:

Ken Hartlin posts:

"Just received an email from my ISP saying that all "SHELL/SLIP/STATIC" access will terminate on Dec 1st. Just PPP from now on.

Although I could never get it to work, I know there is CAB, etc. for SLIP, but is there anything available to establish PPP connections?"

Yann Lossouarn tells Ken:

"The problem for SLIP/PPP isn't the web browser, it's the TCP/IP stack you use : STiNG, STiK, MiNT-Net. I dunno for Stik, but STiNG and MiNT-Net are using PPP very well."

Steve Stupple adds:

"STinG and STiK can cope with PPP and SLIP.

All the TCP/IP's I now of on the ST's cater for it. It's CHAP and PAP that's the problem!

Has anyone sorted CHAP & PAP out yet as this will open a new world for many Atarian's, as most of the free IP's use one of these 2 protocols."

\*\*Editor's Note: I haven't read the next few posts yet, so I don't know if anyone has mentioned this, but StinG does PAP quite well.

Jo Even Skarsein asks Steve:

"What's the problem with these? At least STiNG and MiNT-Net handles CHAP and PAP, so do the commercial stacks (IConnect, Draconis, WenSuite)."

Pascal Ricard tells Jo Even:

"As far as I know, STinG and IConnect doesn't support CHAP yet. I cannot get connected with these stacks to two ISPs here (in Vendee, France) using this protocol."

Richard 'B' asks:

"Has anybody got information on the Iomega ZIP drives, especially the new 250 meg one.

If possible, can anyone supply me with a copy of the software for the Atari."

Dr. Uwe Seimet, the author of HD Driver, asks Richard:

"Which kind of software? All you need to drive a ZIP is a decent hard disk driver."

One of the wizards to come up with some of the cool new things I'd love to have time to play with, Mario Becroft, posts this for a friend:

"A member of our local Atari club is using Spin version 0.34 under MagiC version 5 to access a SCSI CD-ROM drive attached to a Falcon computer. This configuration has been working fine for a couple of weeks. After upgrading to MagiC version 6 this configuration no longer works properly.

The message from Spin during booting is as normal and the CD-ROM drive is identified. But after double clicking on the CD-ROM drive icon at the MagiC desktop an alert appears indicating "Error 46: invalid drive." This appears to indicate that the drive is not present.

I have tried using different BOS drivers and various settings, and in all cases the CD-ROM drive is identified and there are no error messages while booting but the drive remains inaccessible.

SPINMAGC.XFS is in the C:\GEMSYS\MAGIC\XTENSION directory and METAXB.S.PRX is in the C:\AUTO directory. I tried renaming METAXB.S.PRX to METAXB.S.PRG without any improvement.

I am not very familiar with MagiC and after trying all the obvious adjustments we have not made any progress. Therefore I would be interested in any hints from MagiC users as to what might be the problem.

MetaDOS works fine on the same configuration but only under TOS. If Spin will not work with MagiC 6 then MetaDOS would be an alternative, so any hints on how to make it work with MagiC would also be appreciated."

Derryck Croker tells Mario:

"It does sound like a configuration problem if it worked before. I'm running Spin! here with the same basic setup as your club mate under MagiC 6, no problem.

So check that the CDROM's ID is checked in HDDriver's config, or if he's not using that make sure that SCSIDRV.PRG is present in the Auto folder."

Joshua Kaijankoski asks about posting to the NewsGroups:

"I posted a couple of messages a while ago (1 week) and even got a few replies. What I'm wondering is that I can't seem to find them anymore. Outlook express displays over 2000 messages from 16 September so it can't be outdated or anything. Can someone shed a light on this? Is

someone boycotting my posts?"

John Garone tells Joshua:

"Some of the problem may lie with the NewsGroup server. Sometimes my posts don't arrive and if they do, might disappear leaving older posts still there (Atlantic.net's NG). In trying out another ISP (Earthlink), I don't have that problem. Also, you may not be able to follow-up to a post with double (:) 's. "

Derek Warren tells Joshua:

"I've had the same thing happen to me--only I thought it was my cable provider's horrible news server at work. For emergencies, I've set up an account at <http://www.dejanews.com/> so I can make sure that CSAST hasn't been blown off the face of the Earth. <grin>

Interestingly enough, everyone's posts show up and stay there 99% of the time, but I imagine DejaNews has some fancy backup-and-archive mechanism at work..

To make things even more complicated, I just logged in at [dejanews.com](http://dejanews.com) and only posts from before October 18th, inclusive, were left.

Aaargh.. the saga continues.."

Lonny Pursell adds:

"I had a similar thing happen with newsie and I found out it was because the reference line was so long it got truncated in the editor and then for some reason newsie pretended to send it. I say pretended because it never reported an error and acted like it was sent.

I switched to pine which seems to have cured my problem."

Pete Smith asks:

"Can anyone tell me about a program called Ifusion, Which is supposed I think to allow Stik/Sting clients to be used with Iconnect.

Is it a reality?, Does it work?, & where is it available???"

Pascal Ricard tells Pete:

"Yes, that's correct. There is also a version for Draconis. I did try a beta version for IConnect with POPWatch and NEWSWatch. It should be available through ASH and M.u.C.S. respectively."

Derryck Croker adds:

"Ifusion is bundled with fiffi, ASH's Iconnect ftp client.

As you say it allows one to use STinG clients with an IConnect connection, especially good as I prefer aFTP over fiffi."

Steve Green asks for help with his TT's hard drive:

"My TT's hard drive decided to die on me yesterday. HDDriver seems to recognize the fact that it's a Seagate drive but it cannot actually get the drive spinning (although the heads sound as if they're trying to

read the boot info still!

What I need to know is if it's worth replacing the HD or should I get an external drive? (is the TT SCSI 1 or 2 - both internal or external)

If I decide to get a new internal then I've been told to ask about the power consumption as a modern HD could actually need more power than the internal PSU can provide - and this is the last thing I need!!

Anyway, I don't know much about HD's and especially fitting one! So I was going to take the TT down to Stafford and get someone like SysSolutions to fit me one. Good idea or should I simply get a new external drive (SCSI 1 or 2 though???)"

Our old friend Sheldon Winick tells Steve:

"Either SCSI-1 or SCSI-2 should work just fine in your TT030. Installation isn't a difficult matter -- should take about 10 minutes if you don't rush, then time for formatting and reinstalling your software. You're probably going to need to remove the bad internal drive anyway, so you might as well simply replace it with a new one."

Steve replies:

Excellent! Thanks, I think I'll be trying for Scsi2 then. But what about the power consumption that I was talking about before?

What size of drive should I be looking for? I'm told there are 3.5 and 5.25 inch discs....?? Finally, are they real easy to fit? :-/ Is it simply a case of removing the leads, unscrewing the HD and plonking in the new one and plugging the leads back in. ? Sounds easy enough! By the way, will the current leads plug into either a scsi 1 or 2 drive?"

Uwe Seimet tells Steve:

"Note that the connectors have nothing to do with the SCSI level."

Rob Mahlert, mastermind behind Atari-Users.Net, asks for help with a hard drive too:

"I bought a used 256 meg SCSI drive for my TT a while back. I installed it in the TT and booted the system up off of a floppy with ICD's drivers. The TT will recognize the new internal SCSI and my EZ-135 on boot up. I open up the c: drive (New SCSI), and I get the file directory like I should. But if I try to access a file the system freezes up and the drive light stays on. I can open all the folders I like, but the files all do the same thing, it freezes. Same if I try to format/partition the drive. My EZ-135 is fine. Any ideas? Is it "locked"? Or is it no good?"

Henk Robbers tells Rob:

"I had the same problem with a new 1Gig drive. I discovered that the GEMDOS of TOS 2.06 can not handle partitions with cluster size > 16384. (I partitioned with AHDI 6.06) Under MagiC 6 there was no problem. If you have a single partition on that drive the cluster size could be that large.

Repartition the drive in 2."

Steve Sweet asks Rob:

"Odd, is this occurring after some Auto folder progs have run, maybe some acc's also, try disabling all of these by booting with a floppy based driver and then installing a 'C' icon to access the auto folder and the ACC's.

What hard disk driver are you using, could you try a different one?"

Rob tells Steve:

"I'm using ICD's drivers. I have also tried CMHD(??) and the HD Driver Demo, no luck with them. I have been booting the system off a floppy with NO ACC's and only the Driver for the hard drive as an auto program.

The drive is a Maxtor 7245SR made in '93 if that helps put some more light on the subject."

Well folks, that's it for this week. Wish me luck with Linux, and until we get together again next time remember to keep your ears open so you can hear what they are saying when...

PEOPLE ARE TALKING

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->In This Week's Gaming Section - "Rippin' Riders"!! "Rugrats"!  
"Medal of Honor"! "Test Drive 6"!  
Jaguar 'Protector'! 'WWF Attitude'!  
"Supercross Circuit"! And much more!

->From the Editor's Controller - Playin' it like it is!  
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First the case against Microsoft starts its final verdict process and then a couple of interesting e-mails arrive in my mail regarding information pertaining to problems one Dreamcast dealer is having getting product because it offers discount prices on the game console. Usually you hear about price fixing but rarely do you see the "practice" unraveled in writing.

Ever notice that you don't see "sale" prices on game consoles? Everyone sells these machines for the same price. Why? This is part of my interpretation of what price fixing is about. The worst part of this occurs when a dealer decides to buck the system and offer a sale on a system. What's wrong with that, you ask? To the consumer, nothing - it's great. But what do you think happens to that dealer when the manufacturer learns of it? Product shipments are delayed, or dry up.

This is the primary reason you don't see anyone with sales. Do you think a retailer like Toys R Us is going to risk not being able to get product to



sell? Never! They cannot afford to do that, especially when the real money is in the games. If I can't buy a game console at a particular retailer, what's the likelihood of my going to that same retailer for games. Probably slim.

Want "proof" that this occurs? Here are two e-mails that I received this week. The mail originated from an online retailer which was sent to their "affiliates" - people who offer internet links for this retailer and take orders for product. One of these "affiliates" forwarded me the two e-mails. I cleaned them up a bit, but I do have the unabridged letters. These letter appear in our "A-ONE Gaming Online" section. See what you think. Personally, I think this practice stinks and should be remedied. Maybe these letters being published will fall into the "right" hands!

Until next time...

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->A-ONE's Game Console Industry News      -   The Latest Gaming News!
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989 Sports' Supercross Circuit Brings the Excitement of Authentic Motocross and Supercross Racing to the Playstation Game Console

989 Sports announced Monday that it will release SuperCross Circuit for  
the PlayStation game console November 9.

Capturing the fun of authentic motocross and supercross racing, SuperCross Circuit is based on official riders, tracks and licensed dirt bikes from Kawasaki, Honda, Yamaha and KTM.

Featuring some of the industry's hottest motocross and supercross racers, SuperCross Circuit's champion racers include: Doug Henry, Mike LaRocco, John Dowd, Larry Ward, Ezra Lusk, Casey Johnson, Sebastien Tortelli, Greg Albertyn, Jimmy Button, Ryan Hughes, Tim Ferry, Steve Lamson, Kevin Windham and Mickael Pichon. SuperCross Circuit also features authentic motocross and supercross style racetracks that add to the game's realistic racing action. Tracks include: the Metrodome, Pontiac Silverdome, Sam Boyd Stadium, Red Bud, Steel City and Glen One.

"SuperCross Circuit, as with all 989 Sports titles, delivers unparalleled authenticity, realism and motocross and supercross racing fun," said Jeffrey Fox, vice president, marketing, 989 Studios. "With professional riders, licensed bikes, authentic tracks and unprecedented gameplay features, SuperCross Circuit will let gamers experience the fast-paced action of motocross racing from the safety of their couch."

SuperCross Circuit allows gamers to race like the pros on 9 challenging supercross stadium tracks and 12 death-defying outdoor motocross courses. Using authentic motocross bikes, gamers will test their mettle by handling a 200-pound bike and navigating hairpin turns, bumps and straight aways. SuperCross Circuit is a fast-paced racing experience that emulates real-life track conditions over the course of the race - wet courses dry

with time and ruts emerge and enlarge during the race.

#### SuperCross Circuit Key Features

- \* Captures authentic motocross and supercross racing and is based on official riders, authentic tracks and licensed dirt bikes from Yamaha, Kawasaki, Honda and KTM.
- \* Features some of the industry's hottest motocross and supercross racers such as Doug Henry, Mike LaRocco, John Dowd, Larry Ward, Ezra Lusk, Casey Johnson, Sebastien Tortelli, Greg Albertyn, Jimmy Button, Ryan Hughes, Tim Ferry, Steve Lamson, Kevin Windham and Mickael Pichon. Top racing teams like Yamaha of Troy, Primal Fear and KTM are also featured.
- \* Nine challenging supercross stadium tracks and twelve death-defying outdoor motocross courses. Supercross tracks include: Las Vegas' Sam Boyd Stadium, the Astrodome, the Metrodome, Arizona's Bank One Ballpark, Michigan's Pontiac Silverdome. Twelve motocross tracks include: Steel City, Budds Creek, Red Bud, Unadilla and many, many more!
- \* Purchase modifications and upgrade bikes as you advance through the season: make engine modifications, change gear ratios, buy new suspension kits or a new Pro Circuit pipe and tires.
- \* Adding to the authenticity of the game are top equipment manufacturers like Fox Racing, FMF, Renthal, Sinisalo, Pro Circuit, White Brothers, Gaerne, O'Neal and Factory Connection.
- \* Real-life track conditions are emulated over the course of the race - wet courses dry with time, ruts emerge and bikes accumulate mud.

-- Developed by Idol Minds, makers of Cool Boarders 3.

#### Infogrames North America Sends Test Drive 6 Racing to Stores This Week

Infogrames announced Tuesday that Test Drive 6 will begin shipping this week for the Sony PlayStation game console. Test Drive 6, the latest installment in the highly successful Test Drive series, will be available for the personal computer and the Nintendo Game Boy Color next week, and will also be available for the Sega Dreamcast(TM) in early December.

'With its incredible speed, big jumps and nerve-racking shortcuts, Test Drive 6 is like being in a Hollywood chase scene," said Laddie Ervin, director of marketing for sports and racing at Infogrames North America. 'Most of us will never drive over 100 mph through the streets of London in a Dodgefi Viper, but Test Drive 6 makes it possible."

The title's \$3 million marketing effort is the largest in the history of the Test Drive franchise. The marketing launch includes television ads on NFL football games, CBS's Howard Stern, MTV, World Championship Wrestling and ESPN, as well as radio ads on Howard Stern. Television ads began yesterday and will continue through the month of December. Print ads began running in September in most major video game publications. The launch also includes a whole range of retail promotions.

Test Drive 6 has a completely revamped physics model, which gives each car in its class a specific driving style and handling model. Players can upgrade each car's engine, brakes, tires and suspension, with each feature offering four levels of improvement. The game features interactive driving environments that include breakable objects, obstacles and shortcuts.

Players can race through outdoor cafes in Paris, France, crashing into tables and causing them to fly into the air, or they can swerve to avoid barriers on the streets of Rome, as well as knock over rickshaws in the back alleys of Hong Kong. Some of the more than 34 tracks in Test Drive 6 include Jordan, Maui, Tahoe, Italy, Switzerland and New York.

The game's new artificial intelligence (AI) allows each computer driver to react uniquely to different situations, so racing opponents can be bumped and jostled off their paths. In addition, if opponents take turns too quickly, it will cause them to occasionally wipe out. Cross traffic in Test Drive 6 will swerve to avoid racers, instead of ignoring oncoming cars, and cops will chase all of the speeding cars, not just the player's car.

Test Drive 6 for the PlayStation and the PC includes 37 licensed vehicles including Dodge '69 Charger, '99 Dodge Viper GTS, Dodge Viper GTS-R, Dodge Concept, Plymouth '72 Hemi Cuda, '99 Prowler, '99 Ford Mustang, Saleen S351, F150 Lightning, '97 Mustang Super Stallion, '68 GT-40, 1968.5 Mustang 428 CJ, '90 Mustang LX 5.0, Lotus '80 Esprit Turbo, '99 Elise, Esprit V8, GT1, Jaguar '94 XJ220, '99 XKR, XK180, TVR '99 Cerbera, Tuscan, Speed 12, Griffith, Aston Martin '99 DB7 Vantage Coupe, Project Vantage, Shelby '66 Cobra, '99 Series 1, Venturi '99 Atlantique and 400 GT, Panoz '99 Esperante, Nissan '99 Skyline and R390 GT1, Caterham 7, Audi '99 TT, Marcos '99 Mantaray, Toyota '99 GT-One and the '99 Subaru Impreza.

The game features a hot licensed soundtrack that includes Fear Factory and their remake of Gary Numan's Cars, sung with Gary Numan. The soundtrack also features Eve 6, Empirion, Gearwhore, Q-Burns, Lunatic Calm, Cirrus and the Kottonmouth Kings.

Test Drive 6 for the Game Boy Color features the following 12 licensed cars: Dodge Viper, TVR Cerbera, Lotus Esprit V8, Shelby Series 1, Shelby Cobra, Caterham Super 7, Audi TT, Dodge Challenger, Plymouth Cuda, Dodge Charger, Panoz Roadster and the BMW V12 LMR. The game features 24 tracks in 12 real-world locations and offers cop chase mode, unpredictable objects and tournament races where players can earn money to purchase and upgrade cars.

Test Drive 6 for the PlayStation will feature two-player split screen racing and supports the Dual Shockfi analog controller. The PC version requires an IBM or compatible with Windows 95/98, Pentium 166, 32MB of RAM with a Direct 3D compatible 3D accelerator card and 70 MB of hard drive space. Test Drive 6 also supports NVIDIA's new GeForce 256 Graphics Processing Unit (GPU), the first graphics architecture to feature a dynamic lighting engine and an integrated geometry transform engine. Test Drive 6 for the Game Boy will be playable on both the color and black and white Game Boy systems. The estimated retail price for Test Drive 6 is \$39.95 for the PlayStation, \$39.95 for the PC, and \$29.99 for the Game Boy Color.

For more information please visit the Test Drive 6 web site at <http://www.td6.com>.

Acclaim Sports Ships WWF Attitude for the Sega Dreamcast

First Wrestling Title for Next Generation System

Acclaim Entertainment, Inc. Tuesday announced that WWF Attitude for the Sega Dreamcast has shipped to retail. Developed by Acclaim Studios Salt

Lake City, WWF Attitude has been a top-seller on PlayStation, Nintendo 64 and GameBoy Color since its release.

''WWF Attitude for Dreamcast is one of the most heavily anticipated titles we've seen," said Doreen McKenzie, Divisional Merchandiser of Babbages and Software Etc. ''Our customers are very excited to get their hands on this game."

WWF Attitude is the blockbuster sequel to WWF Warzone, which sold more than a million copies in 1998 and remains on top of the sales charts a year after its release. WWF Attitude for Dreamcast features 40 WWF Superstars including The Rock, Stone Cold Steve Austin, The Undertaker and Mankind. Attitude also features the all-new Create-A-Pay-Per-View Mode and Acclaim's signature Create-A-Wrestler mode where gamers can design their own unique wrestler. In addition, there are 20 other game modes to play, including all new specialty matches, new match options, career mode, photo-realistic wrestlers, and more than 400 moves including signature and finishing moves.

''The graphics in the Dreamcast version of WWF Attitude are superb," said Mike Archer, Acclaim Producer. ''By adding our Hi-rez graphics and increasing the game's speed, WWF Attitude achieves the ultimate in realism on the Sega Dreamcast."

WWF Attitude is supported by a nationwide marketing campaign including television spots on programs such as ''WWF Smackdown", print ads in ''The Official Sega Dreamcast Magazine" and an extensive online presence on key wrestling sites and [acclaimsports.com](http://acclaimsports.com).

#### First Snowboarding Title Blasts to Sega Dreamcast in Rippin' Riders

Good news for all boarders! Now you can hit the slopes before the snow falls with ''Rippin' Riders", the first snowboarding game for the 128-bit, Internet-ready Sega Dreamcast videogame console. ''Rippin Riders" gives players the extreme gaming experience they crave, along with all the variety and multiplayer options to keep them coming back for more. The game is packed with amazing high-speed 3D courses and halfpipes, awesome tricks, unique characters and even some hidden surprises. ''Rippin' Riders" is available at retailers nationwide now for \$49.95.

''Rippin' Riders" challenges gamers to show their stuff on six fun-filled courses. The picturesque 3D courses, including challenging high mountain forest trails and downtown cityscapes, are filled with unexpected obstacles (including farm animals!) that gamers must try to avoid or run right through. Only players with the right race time and trick count can unlock additional hidden courses.

''The intense speeds, outrageous tricks and beautiful 3D settings in 'Rippin Riders' are perfect examples of what the power of Sega Dreamcast can deliver," said Greg Thomas, vice president of product development, Sega of America. ''No other snowboarding title can match the depth of gameplay and challenges found in this game."

To win in ''Rippin' Riders," players must navigate these treacherous courses as fast as they can, gaining extra points along the way by performing stunts. As players catch major air off jumps, halfpipes and other obstacles, they can execute cool moves such as backside 360 tail grabs and misty flips. Fail to stick the move and it's a serious face

plant, slowing you down and affecting the final race time and score.

The seven characters in "'Rippin' Riders" are extremely detailed, with intricate outfits and even tattoos. Each boarder has two to three outfits and nine boards to choose from, including authentic Bonfire clothing and Salomon snowboards. Also unique to each character is the original soundtrack that plays as they ride, with songs matching each unique persona. For serious shredders, two hidden characters can be unlocked, but only if they meet certain race times and trick counts.

For true competitive fun, "'Rippin' Riders" features multiplayer capabilities, allowing players to race head to head with their friends. 'Match Race" challenges two players to go at it for the best time and trick count. 'Line Versus" mode features split-screen action, in which losing players are eventually edged off the screen with each trick their opponent executes successfully.

'Rippin' Riders" is currently available at retailers nationwide and at sega.com for \$49.95.

Electronic Arts Ships DreamWorks Interactive's Medal of Honor,  
the First World War II-inspired Game for the PlayStation

Electronic Arts announces the highly anticipated release of Medal of Honor, a WWII-themed action adventure title from DreamWorks Interactive.

Created by DreamWorks SKG co-founder/award-winning filmmaker Steven Spielberg, Medal of Honor is the first WWII action game developed exclusively for the PlayStation game console system. The game has players take on the role of an agent in the Office of Strategic Services (OSS), the United States' prestigious wartime spy and covert operations agency to aid the Allied Forces through a variety of challenging missions to thwart the German take over of Europe.

'World War II has served as the setting for so many wonderful books, movies and television shows," says Glenn Entis, head of DreamWorks Interactive, 'When Steven returned from filming 'Saving Private Ryan' he realized he wanted to bring the subject to interactive entertainment. But it was important for Steven that we present a realistic and honest depiction of World War II and thus he asked Capt. Dale Dye to consult with us on the game. Capt. Dye had just served in a similar capacity on 'Saving Private Ryan' and Steven wanted him to ensure that all facets of the game, including missions, weapons and enemy movements accurately and respectfully portrayed the reality of World War II."

Medal of Honor begins on June 5, 1944, the night before D-day when the Alliance launched a massive aerial assault behind German lines. Assuming the role of Lieutenant Jimmy Patterson, a young C-47 pilot shot down during the operation, the player is recruited into the OSS and begins a new career as a field agent, participating in various covert operations, search and rescue assignments, and commando raids through seven missions and 24 levels. Each mission is drawn from pivotal historical events that helped shape the Allied crusade in Europe, including stories involving the development, capture, and destruction of secret war-making technologies. Ending several of the levels will be archival black and white WWII footage to help immerse the player in the era. Players can utilize a total of 12 authentic WWII era weapons, including an American Colt 45, American M-1

Garand Rifle and Browning Automatic Rifle.

Ensuring the realism and accuracy of the era, Capt. Dale Dye, USMC (retired), the top military consultant to the entertainment industry was brought on through the course of the development cycle. Renowned for his contribution to films such as "'Saving Private Ryan," "'Platoon," "'Born on the Fourth of July" and "'Mission Impossible," Capt. Dye worked closely with the production team. He put the team through a rigorous mini boot camp, similar to the routine Hollywood actors face when Capt. Dye prepares them to play military characters. He wanted the team to understand how a soldier thinks and acts, how he would hold and use his weapons. In addition, Capt. Dye helped define Artificial Intelligence (AI) character movements, which include more than 450 different moves. He wanted to make sure the AI in the game reflected real-life scenarios, such as the possibility of having a grenade you've just thrown picked up and thrown back at you. Capt. Dye also helped develop missions and accurately model 3-D versions of each of the weapons.

Balancing the overall game experience are environmental surroundings depicting the realism of what a WWII soldier may have encountered. Destructible elements help illustrate the ravages of war depicting bullet holes in the wall, as well as glass that shatters and breaks when hit. Distinctive sounds provide the war-like atmosphere including the thunder of artillery in the distance, the whistles of search parties and barking dogs. Additionally, Medal of Honor boasts an original music soundtrack featuring an orchestral score by award-winning Michael Giacchino that helps draw the player into the atmosphere.

Medal of Honor for the PlayStation features a two-player head-to-head mode via a vertical split screen. The game supports Dual Shock analog controls, carries a "'T' (Teen) ESRB rating and has a MSRP of US \$49.95. More information on the game can be obtained by going to the product web site at <http://www.mohgame.com>.

#### THQ Releases 'Rugrats: Studio Tour'

THQ Inc. Tuesday announced the release of "'Rugrats: Studio Tour" for the PlayStation game console.

America's favorite babies are making their second PlayStation performance just in time for the holidays - this time their adventures take them to familiar movie sets in a major Hollywood studio.

"'Rugrats: Studio Tour" is backed by a multimillion-dollar marketing campaign including television, print and online advertising in addition to cross-promotional efforts.

This latest installment to THQ's multiproduct, cross-platform Rugrats franchise is available at major retail outlets nationwide for a suggested retail price of \$39.95.

"'Teaming up with Nickelodeon has allowed THQ to bring fun and family-friendly console-gaming alternatives to millions of parents and kids worldwide," said Alison Locke, senior vice president of sales and marketing, THQ. "'We are delighted with the success of our PlayStation, Nintendo 64, Game Boy and Game Boy Color releases and look forward to another PlayStation hit this holiday season with 'Rugrats: Studio Tour.'"

"Nickelodeon's Rugrats TV show continues to enjoy unparalleled success with 23 million viewers tuning in each week," said Steve Youngwood, director, software, publishing and new businesses, Nickelodeon Consumer Products. "'Rugrats: Studio Tour' gives fans the opportunity to interact with each of their favorite characters in an all new Rugrats adventure."

In "Rugrats: Studio Tour," the babies adventure through a major Hollywood movie studio guided by the unyielding power of their imaginations. Tommy, Chuckie, Phil, Lil, Angelica, Susie and even Baby Dil are all on hand as players explore movie sets including "Diapers of Thunder," "Captain Cookies" and "Lazy Saddles."

Designed especially for kids, "Rugrats: Studio Tour" incorporates varied gameplay options from kart-style racing to exploration to miniature golf through 15 unique, interactive 3-D environments. Players will enjoy voice-over from the actual Rugrats characters as well as music and sound effects from the TV show.

The one- to two-player split-screen option invites friendly competition for the whole family. "Rugrats: Studio Tour" will enjoy an extensive television and print advertising campaign targeting kids ages 6 to 11. The four-week national TV campaign will include 15- and 30-second spots on Nickelodeon, Cartoon Network, ABC and WB.

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Order Protector for the Jaguar Today!

Songbird Productions  
<http://songbird.atari.org>

Protector is an exciting 2D bidirectional shooter that has been a surprise hit with many Jaguar fans at JagFest '99, CGE '99, and the recent CinciClassic. You won't want to miss out on this fast-paced blastfest!

Protector will be released on 12/20/99. The retail price of Protector for new orders is \$74.95 plus shipping. The game will be published in a regular Jaguar cartridge complete with a full color label, full color box, and a B&W glossy manual.

If you pre-ordered Protector, you owe a balance of \$44.95 plus shipping. If you pre-paid by credit card, you will need to authorize payment of the balance on your card or supply a different card number. Please contact Multimedia 1.0 again to complete your order, or email Songbird with your complete order, customer information, and credit card number. Payment by check or MO in US Dollars is also always accepted.

As time permits, pre-order customers will receive their copy of Protector 1-2 weeks early. Naturally, your order must be paid in full before it can be shipped, so get your final payment in today!

Please email Songbird at [songbird@atari.org](mailto:songbird@atari.org) with any questions. And a big thank you to every Jaguar fan who has pre-ordered one or more of the upcoming games.

Sincerely,

Carl Forhan  
Songbird Productions  
<http://songbird.atari.org>

#### Evidence of Price Fixing?

[Editor's note: The following two articles are the contents of two e-mails I received this week regarding transactions between an online retailer and its affiliates. Price Fixing? What do you think?!]

Date: Tuesday, November 09, 1999

First, we would like to give you \$50 in gift certificates. These will be 2 codes in the amount of \$25 each. These digital gift certificates are yours to use in any way you like -- use them for yourself, gifts, or contests for your users. The gift certificates do not expire until May 31, 2000.

We wanted to touch base with you regarding your commissions, and give you an update on Dreamcast shipments. As you know, getting Dreamcast inventory has not been easy. We learned recently that a large part of the problem in securing Dreamcast systems was Sega's priorities in shipping. They ship as follows: (1) traditional "brick & mortar" stores, (2) online stores, and finally (3) those selling Dreamcast systems at a discount. Because we fall into the last category, we've had a very difficult time getting our hands on the systems. Our orders have been cancelled, and many distributors will not sell to us because they know we are not selling them for \$199. Many of you and your users have cancelled orders because of the delay; we understand. For everyone still holding an order, we are doing everything we can to fulfill those orders - even purchasing units at retail to ship to you. WE WILL CONTINUE TO DO THIS UNTIL WE HAVE FULFILLED EVERY OUTSTANDING ORDER.

We know that hyping up a product and then not being able to ship is disappointing - it's disappointing to us, to you, your users, and is NO way to do business. In the future, we won't use backorders or promises from vendors and distributors outside of our control as a substitute for actual product in our warehouse.

Because we are in the process of running commissions through 10/31 (and we cannot pay commissions on non-shipped products), you will notice that non-shipped and cancelled Dreamcast orders have been removed from your revenue reports. We know that in addition to the inconvenience this has caused, it represents a hit to your revenue.

We want to make this up to you, and the gift certificates are our way of saying sorry for the inconvenience and thanks for your patience.

Thank you for sticking with us during this difficult time. We are



working to improve our affiliate program, our website, and our customer service.

Thank you for being a WhatsHotNow.com affiliate. For those of you with \$25 or more in outstanding commissions, you will be receiving your commission check in the next few weeks directly from BeFree.

To get your gift certificate codes, simply reply to this message. Please be sure to leave the message including your site name and email address at the top.

Another delay apparently due to pricing... This title has been available from other sources.

Dear Customer:

Regarding your order (Dreamcast: House of the Dead 2), please be advised that Sega has pushed the delivery date on getting more products to us for at least another 2-3 weeks' time. We apologize for the delay, unfortunately there's not much we can do on our end except wait. Rest assured that we will process your order as soon as possible once we do have the merchandise in stock.

Please respond by returned e-mail or phone if you would like to proceed with the order or cancel due to this delay. We apologize again for the inconvenience and look forward to hearing from you soon.

Sincerely,

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A-ONE's Headline News  
The Latest in Computer Technology News  
Compiled by: Dana P. Jacobson

#### Judge Rules Microsoft Wields Monopoly Power

A federal judge ruled Friday that Microsoft Corp. wields monopoly power in personal computer operating systems, a major setback for the world's largest software company in one of the biggest antitrust cases of the century.

In a long-awaited decision, District Judge Thomas Penfield Jackson said Microsoft's actions had done consumers harm and the company had used its power to punish competing firms.

The 207-page finding, which sets the stage for a later ruling on whether Microsoft's actions broke the law, largely sided with the U.S. Justice Department and 19 states that brought the case against the high-technology powerhouse.

If Jackson finds Microsoft liable for breaking the law, he could then move to apply sanctions ranging from restrictions on the way it does business to breaking up the company.

A final decision may not come until well into next year unless Microsoft and the government negotiate a settlement.

''Three main facts indicate that Microsoft enjoys monopoly power," Jackson said, citing the company's large and stable market share, the high barriers to entering the computer software market, and the lack of a commercially viable alternative to the Windows operating system.

''Many of these actions have harmed consumers in ways that are immediate and easily discernible," another part of Jackson's ruling said. ''They have also caused less direct but nevertheless serious and far-reaching consumer harm by distorting competition."

The case is a classic confrontation between one of the most dynamic American companies of the computer age and U.S. government trustbusters who believe Microsoft has become a schoolyard bully. It has been compared to some of the epic antitrust battles of American history including a 13-year struggle with computer-maker IBM ending in 1982, and the breakup of John D. Rockefeller's Standard Oil monopoly in 1911.

The government charges that Microsoft used its power to illegally crush rival Internet browser-maker Netscape and bully other firms. Microsoft argued it had no monopoly in operating systems and always acted within the law.

At issue in the case is whether Microsoft reduced choice for consumers using personal computers by illegally bullying rivals or simply competed hard in the fast-changing high-tech industry to bring new products to market.

Netscape was acquired by Internet powerhouse America Online Inc. in March 1999, a deal which Microsoft said repeatedly made the case irrelevant.

The Justice Department hailed the ruling as a ''tremendous victory" for U.S. consumers.

Assistant Attorney General Joel Klein told a news conference that Microsoft's abuse of monopoly power had caused "substantial harm to consumers and innovation" and should result in ''serious remedial redress." But Klein said it was premature to say exactly what sanctions Microsoft should face.

Spokesman for the 19 states who joined the action, Connecticut Attorney General Richard Blumenthal, was even bolder in calling for action against Microsoft.

''These are serious and far-reaching violations that should lead to serious and far-reaching remedies," he said.

Straining to put the best face on the outcome, Microsoft founder and chief executive Bill Gates said at a news conference that the company disagreed with the findings of the judge.

''The American legal system ultimately will affirm that Microsoft's actions in innovations were fair and legal and have brought tremendous benefits to

millions of consumers," Gates told reporters from the company's Redmond, Wash. campus.

However, both Gates and chief government trustbuster Klein left the door open to a negotiated settlement of the case.

"Microsoft is committed to resolving this case in a fair and responsible manner while ensuring that the principles of consumer benefit and innovation are protected," Gates said.

The White House, which has been careful not to take a position in the case, said President Clinton had no comment on the ruling.

Microsoft's share price fell after news of the judge's ruling to 87-1/16 on the after-market trading system Instinet compared with a closing price on the NASDAQ market of 91-9/16 during the regular session.

Some Wall Street analysts said the ruling could have a negative impact on the stock market when it resumes official trading Monday. But they cautioned that this was just the first ruling of several expected in the case.

"This is the first act of a three-act play, or rather the first inning in a nine-inning baseball game," said Jim Lucier, an analyst for Prudential Securities in New York.

Art Hogan, Chief Market Analyst at Jefferies & Co said: "Clearly, this is a severe blow to Microsoft ... I think upon appeal it may not be as harmful to Microsoft at the end of day as it appears, but it's clearly disappointing and it will set a negative tone to the market."

#### Excerpts From Microsoft Decision

Excerpts from U.S. District Judge Thomas Penfield Jackson's decision on findings of fact in the Microsoft antitrust case:

On Microsoft's power in the market:

"Microsoft enjoys so much power in the market for Intel-compatible PC operating systems that if it wished to exercise this power solely in terms of price, it could charge a price for Windows substantially above that which could be charged in a competitive market. Moreover, it could do so for a significant period of time without losing an unacceptable amount of business to competitors. In other words, Microsoft enjoys monopoly power in the relevant market.

"Viewed together, three main facts indicate that Microsoft enjoys monopoly power. First, Microsoft's share of the market for Intel-compatible PC operating systems is extremely large and stable. Second, Microsoft's dominant market share is protected by a high barrier to entry. Third, and largely as a result of that barrier, Microsoft's customers lack a commercially viable alternative to Windows....

"Microsoft possesses a dominant, persistent, and increasing share of the worldwide market for Intel-compatible PC operating systems. Every year for the last decade, Microsoft's share of the market for Intel-compatible PC operating systems has stood above 90 percent. For

the last couple of years the figure has been at least 95 percent, and analysts project that the share will climb even higher over the next few years. Even if Apple's Mac OS were included in the relevant market, Microsoft's share would still stand well above 80 percent."

On evidence of competitor's inability to compete:

"The experiences of IBM and Apple, Microsoft's most significant operating system rivals in the mid- and late 1990s, confirm the strength of the applications barrier to entry....

"IBM's inability to gain widespread developer support for its OS/2 Warp operating system illustrates how the massive Windows installed base makes it prohibitively costly for a rival operating system to attract enough developer support to challenge Windows.... IBM now targets the product at a market niche, namely enterprise customers (mainly banks) that are interested in particular types of application that run on OS/2 Warp. The fact that IBM no longer tries to compete with Windows is evidenced by the fact that it prices OS/2 Warp at about two-and-one-half times the price of Windows 98....

"The inability of Apple to compete effectively with Windows provides another example of the applications barrier to entry in operation. Although Apple's Mac OS supports more than 12,000 applications, even an inventory of that magnitude is not sufficient to enable Apple to present a significant percentage of users with a viable substitute for Windows."

On why the judge says Microsoft is a monopoly:

"The company's decision not to consider the prices of other vendors' Intel-compatible PC operating systems when setting the price of Windows 98, for example, is probative of monopoly power. One would expect a firm in a competitive market to pay much closer attention to the prices charged by other firms in the market. Another indication of monopoly power is the fact that Microsoft raised the price that it charged OEMs (original equipment manufacturers) for Windows 95, with trivial exceptions, to the same level as the price it charged for Windows 98 just prior to releasing the newer product. In a competitive market, one would expect the price of an older operating system to stay the same or decrease upon the release of a newer, more attractive version.

"A Microsoft study from November 1997 reveals that the company could have charged \$49 for an upgrade to Windows 98 - there is no reason to believe that the \$49 price would have been unprofitable - but the study identifies \$89 as the revenue-maximizing price. Microsoft thus opted for the higher price....

"Furthermore, Microsoft expends a significant portion of its monopoly power, which could otherwise be spent maximizing price, on imposing burdensome restrictions on its customers - and in inducing them to behave in ways - that augment and prolong that monopoly power. For example, Microsoft attaches to a Windows license conditions that restrict the ability of (original equipment manufacturers) to promote software that Microsoft believes could weaken the applications barrier to entry. Microsoft also charges a lower price to OEMs who agree to ensure that all of their Windows machines are powerful enough to run Windows NT for Workstations."

On Microsoft's actions toward other firms, including Netscape and Sun:

'Microsoft's monopoly power is also evidenced by the fact that, over the course of several years, Microsoft took actions that could only have been advantageous if they operated to reinforce monopoly power....

'Microsoft feared all of these technologies because they facilitated the development of user-oriented software that would be indifferent to the identity of the underlying operating system."

On Microsoft's harm to consumers:

'Microsoft's actions have inflicted collateral harm on consumers who have no interest in using a Web browser at all. If these consumers want the non-browsing features available only in Windows 98, they must content themselves with an operating system that runs more slowly than if Microsoft had not interspersed browsing-specific routines throughout various files containing routines relied upon by the operating system. More generally, Microsoft has forced Windows 98 users uninterested in browsing to carry software that, while providing them with no benefits, brings with it all the costs associated with carrying additional software on a system. These include performance degradation, increased risk of incompatibilities and the introduction of bugs. Corporate consumers who need the hardware support and other non-browsing features not available in earlier versions of Windows, but who do not want Web browsing at all, are further burdened in that they are denied a simple and effective means of preventing employees from attempting to browse the Web.

'Microsoft has harmed even those consumers who desire to use Internet Explorer, and no other browser, with Windows 98. To the extent that browsing-specific routines have been commingled with operating system routines to a greater degree than is necessary to provide any consumer benefit, Microsoft has unjustifiably jeopardized the stability and security of the operating system. Specifically, it has increased the likelihood that a browser crash will cause the entire system to crash and made it easier for malicious viruses that penetrate the system via Internet Explorer to infect non-browsing parts of the system.

On Microsoft's bundling and other business practices:

'Microsoft's argument that binding the browser to the operating system is reasonably necessary to preserve the 'integrity' of the Windows platform is likewise specious....

'In sum, Microsoft successfully secured for Internet Explorer - and foreclosed to Navigator - one of the two distribution channels that leads most efficiently to the usage of browsing software. Even to the extent that Navigator retains some access to the OEM channel, Microsoft has relegated it to markedly less efficient forms of distribution than the form vouchsafed for Internet Explorer, namely, prominent placement on the Windows desktop....

'Microsoft made substantial sacrifices, including the forfeiture of significant revenue opportunities, in order to induce (internet access providers) to do four things: to distribute access software that came with Internet Explorer; to promote Internet Explorer; to upgrade existing subscribers to Internet Explorer; and to restrict their distribution and promotion of non-Microsoft browsing software. The restrictions on the freedom of IAPs to distribute and promote Navigator were far broader than they needed to be in order to achieve any economic efficiency."

On the effect of free software:

''As Microsoft hoped and anticipated, the inducements it gave out gratis, as well as the restrictive conditions it tied to those inducements, had, and continue to have, a substantial exclusionary impact....

''Not surprisingly, the inducements that Microsoft gave out and the restrictions it conditioned them upon have resulted in a substantial increase in Internet Explorer's usage share. A study Microsoft conducted shows that at the end of 1997, Internet Explorer enjoyed a 94 percent weighted average share of shipments of browsing software by (internet service providers) that had agreed to make Internet Explorer their default browser. By contrast, the study shows that Internet Explorer had only a 14 percent weighted average share of shipments of browsing software by ISPs that had not agreed to make Internet Explorer their default browser."

Jackson's conclusions:

''Many of the tactics that Microsoft has employed have also harmed consumers indirectly by unjustifiably distorting competition. The actions that Microsoft took against Navigator hobbled a form of innovation that had shown the potential to depress the applications barrier to entry sufficiently to enable other firms to compete effectively against Microsoft in the market for Intel-compatible PC operating systems. That competition would have conduced to consumer choice and nurtured innovation.... There is insufficient evidence to find that, absent Microsoft's actions, Navigator and Java already would have ignited genuine competition in the market for Intel-compatible PC operating systems. It is clear, however, that Microsoft has retarded, and perhaps altogether extinguished, the process by which these two middleware technologies could have facilitated the introduction of competition into an important market....

''Most harmful of all is the message that Microsoft's actions have conveyed to every enterprise with the potential to innovate in the computer industry. Through its conduct toward Netscape, IBM, Compaq, Intel, and others, Microsoft has demonstrated that it will use its prodigious market power and immense profits to harm any firm that insists on pursuing initiatives that could intensify competition against one of Microsoft's core products. Microsoft's past success in hurting such companies and stifling innovation deters investment in technologies and businesses that exhibit the potential to threaten Microsoft. The ultimate result is that some innovations that would truly benefit consumers never occur for the sole reason that they do not coincide with Microsoft's self-interest."

Statement by Microsoft's Bill Gates

Statement by Microsoft Corp. Chairman Bill Gates after the release of findings of fact Friday by U.S. District Judge Thomas Penfield Jackson in the government's antitrust lawsuit against the software giant:

Good evening. I'd like to take this opportunity to make a few remarks about the findings of fact issued by the court.

It's important to recognize that today's filing is just one step in an ongoing legal process that has many steps remaining. We respectfully disagree with a number of the court's findings and believe the American legal system ... will affirm that Microsoft's actions and innovations were fair and legal and have brought tremendous benefits to millions of consumers.

The court's findings do acknowledge that Microsoft's actions accelerated the development of the Internet, reduced the cost to consumers and improved the quality of Web-browsing software.

Microsoft competes vigorously and fairly. Microsoft is committed to resolving this case in a fair and a factual manner, while ensuring that the principles of consumer benefits and innovation are protected.

The lawsuit is fundamentally about one question: Can a successful American company continue to improve its products for the benefit of consumers? That is precisely what Microsoft did by developing new versions of the Windows operating system with built-in support for the Internet.

Paul Allen and I started Microsoft with the simple idea that technology could improve people's lives.

Over the past 25 years, Microsoft has helped create a broad industry of literally thousands of companies. Together, we've made PCs more affordable, more widely available, more powerful....

I'm proud to be part of an industry that is contributing so much to education, productivity and economic growth. You can walk into any computer store and see the results.

Every day our industry is providing innovation and major benefits for consumers, and prices have never been lower. New companies, mergers and alliances are bringing fundamental and dramatic changes to the marketplace all the time.

Our industry is the most dynamic and competitive in America and consumers are the big winner. Microsoft's products are popular because we've focused on our customers, and innovated to meet their needs.

So we know we must continually go further to improve our product, because in this industry no one has a guaranteed position. Because of our success, we understand that Microsoft is held to a high standard. And we accept that responsibility.

We continue to be guided by the most basic American values - innovation, integrity ..., partnership, quality and giving back to the community. As we work to resolve this case, Microsoft's 30,000 employees are focused on developing new innovations, building great products, delivering quality service and helping others in our industry create a future of opportunity for consumers.

With the upcoming launch of Windows 2000 and our efforts to advance further the potential of the Internet, Microsoft remains totally committed to delivering to consumers the full potential of the information age through great software and services. Thank you.

## Analysts Think Judge Cornered Microsoft

British analysts shed no tears for Microsoft chairman Bill Gates and predicted he would have to sue for peace with the U.S. government after a federal judge found the company was an unfair monopoly.

Business editors and market observers thought that the American whose wealth is "more than that of Britain's 100 richest individuals added together," as one newspaper put it, would be forced to negotiate a settlement rather than risk the breakup of Microsoft.

"We suspect, and I think most people feel, that Microsoft will actually go for a settlement with the government ... to avoid being split up," Jason Nisse, editor of the Independent Sunday newspaper, told Sky television Saturday.

Gates and his Microsoft Corp. had been cornered, said technology analyst Simon Moores.

"Microsoft had been hoping to find some ambiguity in the judgement, but that doesn't seem to be there," Moores told the Observer newspaper. "Gates needs to achieve a compromise quickly -- it looks very bad for Microsoft at the moment."

Nisse noted Microsoft shares had fallen in reaction to the judgement in the United States Friday and "could well fall further Monday ... Microsoft is in a very exposed position."

The finding of fact issued by U.S. District Judge Thomas Penfield Jackson Friday said Microsoft had a monopoly in operating system software for personal computers and used its power to punish competitors and harm consumers.

"Microsoft Court Ruling Sees Gates Crash to Earth," was the headline in The Sunday Times early editions. But the paper also reported that Gates, through his involvement in the Destination Europe consortium, was in talks to buy a golf club in Britain.

One analyst said the U.S. authorities should just sit back and let the market minimize Microsoft, arguing that its product Windows was looking increasingly archaic as an operating system, as did even the personal computer.

"Already the Internet is being delivered through the television and the telephone rather than the PC," Neil Bennett wrote in The Sunday Telegraph, adding that Microsoft's Internet products were "surprisingly primitive."

In any case, he said, the rest of the world should be glad of America's tradition of "shackling" its most powerful companies instead of nurturing them.

"There is a self-destruct gene at the heart of American free enterprise, and the rest of us should be thankful for it."

"Each time America spawns a truly world-class company, the country's politicians, regulators, and a sprinkling of unsuccessful competitors rise up, determined to put an end to such commercial success," Bennett said.



## Experts Split If Microsoft Should Settle, Appeal

A devastating legal decision that Microsoft used monopoly power to harm consumers left experts split Saturday whether the company should focus on appealing against the ruling or cut its losses and enter settlement talks that may lead to its break-up.

U.S. District Court Judge Thomas Penfield Jackson decided Friday that Microsoft Corp. wields monopoly power in personal computer operating systems, a major setback for the world's largest software company in one of the biggest antitrust cases of the century.

The findings were so sweeping that experts said there was little doubt Jackson would later rule the company violated the Sherman Antitrust Act. From now on, they said, Microsoft should concentrate on an appeal or settlement because they believe Jackson will rule against it.

"What was not true until yesterday, and is true going forward, is that the case has basically just switched to the appellate level," said Dale Collins of Shearman & Sterling in New York.

It will be some time until any appeal starts. The parties will file written arguments between Dec. 6 and Jan. 31 that the judge will use to decide whether Microsoft broke antitrust laws.

There are potentially two further phases in the trial. The first is for Jackson to decide if Microsoft has liability for breaking the law. If it does, the judge could then move to apply sanctions ranging from restrictions on the way it does business to breaking up the company.

Both parties will be entitled to present arguments in both phases.

The remedy phase could prove embarrassing to Microsoft because rivals and customers could again describe in detail the behemoth's tactics.

The government charges, for instance, that Microsoft used its power to illegally crush rival Internet browser-maker Netscape and muscle other firms. Microsoft argued it had no monopoly in operating systems and always acted within the law.

Netscape was acquired by Internet powerhouse America Online Inc. in March 1999, a deal which Microsoft said repeatedly made the case irrelevant.

There is plenty of time for the two sides to settle the case, although some lawyers question whether they have the inclination to do so.

"If anything, this would tend to make the government more aggressive in its bargaining position," said William Kovacic, a professor of antitrust law at George Washington University. The government probably believes it is nearing a big win, he said.

Experts agree that a judge's findings of fact are very tough to overturn on appeal because they form the basis for legal decisions by courts at any level.

Meanwhile, Microsoft shows no signs of abandoning positions the judge rejected in his factual findings.

At a news conference Friday, Microsoft Chairman Bill Gates said he disagreed with some of Jackson's findings. "Microsoft's actions and innovations were fair and legal and have brought tremendous benefits," Gates said.

Jackson found otherwise: "Most harmful of all is the message that Microsoft's actions have conveyed to every enterprise with the potential to innovate..."

"Microsoft has demonstrated it will use its prodigious market power and immense profits to harm any firm that insists on pursuing initiatives that could intensify competition against one of Microsoft's core products."

Microsoft general counsel William Neukom questioned during the news conference Friday whether some of Jackson's findings were "pertinent" and said he was confident of the company's position.

Although Microsoft won a ruling last year in an appellate court on an earlier antitrust action by the government, this time there are reasons for the company to settle. For instance, once Jackson enters a final decision against Microsoft, other firms will be able to sue the company without the difficult task of demonstrating monopoly power simply by citing Jackson's findings.

Some lawyers said the findings of fact have changed the playing field. "The line has been moved on remedy" because of Jackson's decision, said Steven Salop, a professor of economics and law at Georgetown University. "Simple conduct remedies are becoming less likely and powerful structural remedies are more likely as a result of these strong findings."

Salop said it may benefit both the industry and the company to "settle the case by breaking up the company into multiple Windows competitors. That would let it go back to creating better software and competing on the merits." Windows is Microsoft's software operating system.

Salop said conduct remedies, which would require close oversight of the company, would create uncertainty and intrusiveness.

For example, Eric Olbeter, senior Internet analyst for the Schwab Capital Markets and Trading Group in Washington, said that while significant regulation would make investors anxious, "markets will be able to figure out very quickly the value of a divestiture."

### Silicon Valley Cheers Microsoft Ruling

Entrepreneurs, start-ups and high-technology veterans in Silicon Valley cheered a federal judge's ruling Friday that software juggernaut Microsoft Corp. wields monopoly power and used it to cripple competing firms.

"It's a big day for the whole industry," said James Barksdale, the former chief executive of Netscape Communications Corp., the pioneer of the Web browser and one of Microsoft's biggest Internet rivals that was later bought by America Online Inc.

Now that the U.S. Justice Department and the 19 states that brought the epic antitrust case against the world's most valuable company have won the first round in a long legal battle, employees of Silicon Valley stalwarts such as Oracle Corp., Sun Microsystems Inc. and companies throughout the United States not only feel vindicated, they're elated.

"The fact that Microsoft holds a monopoly for desktop operating systems is painfully obvious to anyone in this industry," said Bob Young, chief executive of Durham, N.C.-based Red Hat Inc., the largest distributor of the Linux operating system --an upstart rival to Microsoft's Windows.

Among those in Silicon Valley most interested in the outcome of the case were current and former employees of Netscape. The news prompted Netscape employees to throw a party at their headquarters in Mountain View, California.

Netscape developed the first commercial Internet browser, and has long claimed that Microsoft's decision to give away its own browser for free sparked a massive slide in its shares of the market. The so-called browser wars were a central issue in the Department of Justice case.

U.S. District Judge Thomas Penfield Jackson's ruling is but the first of a three-act legal play.

As such, Jackson's 207-page finding of facts in the trial that began just over a year ago, will embolden potential rivals to develop and sell products that are best for their customers rather than those that are least likely to raise the ire of Microsoft, industry executives said.

"The aura that surrounded Microsoft as this all powerful, inexorable force that always won has now been significantly diminished," said Michael Morris, chief lawyer for Microsoft archrival Sun Microsystems, in an interview.

"To the degree that people in this business take heart in that ... I think they will be more likely to make their business decisions, investment decisions and innovation decisions more on what's best for their customers and the consumers and less with respect to what will Microsoft will say or do in response."

If Jackson finds Microsoft liable for breaking the law, he could then move to apply remedies ranging from restrictions on the way it does business to breaking up the Redmond, Washington-based company, which boasts a stock market value of more than \$400 billion.

"The critical issue now is how to structure the speedy and effective remedy that protects consumers, increases competition and innovation, and importantly, prevents Microsoft from maintaining or using its monopoly power in the future," said George Vradenburg, senior vice president for global and strategic policy at AOL, the No. 1 Internet service provider.

For its part, Microsoft said it disagreed with many of the findings and vowed to continue to fight the case.

Microsoft now faces competition that "hasn't ever existed before" in the form of Linux, the emergence of non-PC devices that don't use the Windows operating system, and chip giant Intel Corp.'s move away from its dependence on Windows, said Rob Enderle, a long-time Microsoft and technology analyst based in Silicon Valley.

On top of that, PC maker Gateway Inc. is working with AOL to develop an Internet device that doesn't use Windows and companies such as International Business Machines Corp. and its Chairman Louis Gerstner are declaring the PC era over.

What's more, Red Hat's Young said the Justice Department's investigation of Microsoft allowed it to sign deals with Dell Computer Corp., IBM and others that it might not have been able to before because of fears of potential Microsoft reprisals.

"Scrutiny counts and we have sensed it," Sun's Morris said. Yet even as venture capitalists, entrepreneurs and Microsoft rivals lauded Jackson's ruling as a "great thing for Silicon Valley," George Zachary, a partner at venture capital firm Mohr Davidow Ventures, issued a final cautionary note.

"At the same time, this is a scary reminder that if you make it to the top, someone will try to pull you down," Zachary said. "It's also a reminder that the government is more involved in technology and the notion of a free market is not entirely free."

#### Microsoft Vows To Keep Fighting Antitrust Case

Microsoft Corp. Friday vowed to continue battling antitrust charges and expressed confidence it would prevail in the landmark case despite a judicial finding that rejected many of its key arguments.

At the same time top executives of the software company left open the possibility that the judge's finding of fact would spark a resumption of settlement negotiations between the two sides, which so far have proved fruitless.

"From the very beginning, we've said we would like nothing better than to settle this case," Microsoft Chairman Bill Gates said at a news conference.

Still, he said any settlement would have to preserve the right of the company and others in its industry to innovate and improve their products.

Despite the widespread view that U.S. District Judge Thomas Penfield Jackson's 207-page ruling was highly favorable to the government's case, Microsoft executives put a positive spin on the widely anticipated development.

"It's inappropriate for either party to claim victory," Chief Operating Officer Bob Herbold said. "What we have here is findings of fact. We will see what happens in subsequent stages of this case."

Microsoft cannot appeal the findings of fact although theoretically the company could petition Jackson to reconsider sections with which it disagrees.

But executives said they would focus on briefs and arguments to be delivered in the next phase of the case, the findings of law and ultimately a final decision and order, expected to be issued next year. That decision would be subject to appeal.

Microsoft officials also pointed to aspects of the ruling favorable to its

arguments.

''The court's finding acknowledge the core principal that Microsoft's actions accelerated the development of the Internet, reduced its cost and improved the quality of Web browsing software," company spokesman Jim Cullinan said.

Microsoft executives said they were confident they ultimately would prevail.

''While we disagree with many of these findings, we're still confident that the law supports us on these points and that the American legal system will ultimately rule that Microsoft's actions were fair, legal and good for consumers," Cullinan said.

### U.S. Officials Hail 'Victory' On Microsoft

Jubilant U.S. government lawyers Friday hailed a ruling that Microsoft Corp. wields monopoly power in personal computer operating systems as a tremendous victory for consumers, and said serious steps should be taken against the world's largest software company.

At a Justice Department news conference minutes after a federal judge released his sweeping ruling, Assistant Attorney General Joel Klein said Microsoft's abuse of monopoly power had caused ''substantial harm to consumers and innovation."

Looking ahead to the next step in the historic case, the highest-profile antitrust lawsuit brought during Bill Clinton's presidency and in decades, Klein said the ought to result in the judge imposing ''serious remedial redress."

''It shows, once again in America, that no person and no company is above the law," he said. ''This is a tremendous victory for America's consumers."

Klein was flanked by his boss, Attorney General Janet Reno, and by Attorney General Richard Blumenthal of Connecticut, one of 19 states that had joined the Justice Department in suing Microsoft.

Asked whether breaking up the Seattle-based software giant was a possible outcome of the ruling, Klein said it was too early to say what the final outcome would be or what the Justice Department would be recommending.

But Blumenthal told reporters, ''These are serious and far-reaching violations that should lead to serious and far-reaching remedies."

Iowa Attorney General Tom Miller said the judge's findings "hold open the full range of remedies." Short of breaking up the company, Jackson could prescribe restrictions on the company's business practices.

Blumenthal summed up the findings of fact in the antitrust case, saying, ''Microsoft has monopoly power, abused that monopoly and harmed consumers in immediate and discernible ways."

He said some of the most damaging evidence against Microsoft came from its own records and e-mails by its own executives.

''Today, we have established a solid beachhead -- an unshakable legal base for moving forward to liberate this industry from Microsoft's illegal dominance," Blumenthal said in a statement.

Klein said the Justice Department would be willing to talk about a settlement so long as Microsoft addressed its violations of consumer choice and stifling of competitors' innovation.

''We have always said we are prepared to discuss settlement so long as the important competition issues are fully addressed," he said. Several earlier attempts at settling the lawsuit have failed.

David Boies, the private lawyer brought in by the Justice Department to present the case in the courtroom, hugged a smiling Klein and Blumenthal at the podium and said, ''This is not a surprise. This is exactly what the evidence showed."

Klein predicted the ruling will have an important impact on the nation's economy and on the computer industry. He said it was impossible to predict what innovations might occur after removing the bottleneck caused by Microsoft's practices and allowing ''the competitive juices (to) flow."

Klein brushed aside a question about whether he was concerned that the decision might be overturned by the U.S. Court of Appeals, which already has ruled once for Microsoft. "I think we'll take it one step at a time," he said.

#### Breakup Of Microsoft Not A Likely Outcome

Microsoft Corp.'s stunning setback in its landmark antitrust case means the judge will probably require harsh remedies, but outright breakup of the company is unlikely to be among them, analysts said Friday.

A 207-page opinion released Friday by U.S. District Judge Thomas Jackson ''can only be characterized as a staggering loss for Microsoft," said Mark Schechter, a Washington antitrust lawyer and former top Justice Department official.

''This is pretty much everything that the plaintiff had been looking for," said Carl Shapiro, an economist at the University of California, Berkeley, and Justice Department consultant. "This points to a strong remedy and not a slap on the wrist, though there are other strong remedies besides breakup."

Jackson's ''findings of fact" technically represent only a preliminary opinion, to be made final in a decision and order expected early next year after another round of briefings.

But officials on both sides and analysts were already looking ahead to the likelihood of a Jackson order against Microsoft that could be anything from a mild injunction to a radical directive to break up the company.

''Technically, he has not found they have violated the antitrust laws," Schechter said. ''It's just that the facts are so explicit one can easily read the violation into them."

Assistant Attorney General Joel Klein hailed Jackson's opinion as ''a

tremendous victory for America's consumers," and even Microsoft executives were hard pressed to find any silver linings in the keenly anticipated document.

"The findings of fact are more consistent with the government's claims than they are with Microsoft's defenses," said Bill Neukom, senior vice president for law for Microsoft, which is based in Redmond, Washington.

Neukom said the software giant still hoped to sway the judge in the coming phase of the trial, which focuses on matters of law, but predicted that the final decision would almost certainly be appealed, a process that could last a year or more.

A conciliatory-sounding Microsoft Chairman Bill Gates reiterated that the company would be happy to settle the case, but analysts said the one-sided nature of Jackson's findings made a settlement even less likely than before.

"If anything, this would tend to make the government more aggressive in its bargaining position," said William Kovacic, a professor of antitrust law at George Washington University who has followed the case closely.

"It will increase their sense that (they) are on the verge of a hands-down triumph. That makes it harder for them to walk away with a lighter package of solutions," he said.

Further settlement talks were expected, but officials on both sides declined to comment on any continuing negotiations.

#### Court Finding Puts Pressure On Microsoft To Settle

A federal judge's finding that Microsoft Corp. used its monopoly power to punish competitors puts new pressure on the software giant to settle the government's antitrust case or face the possibility of a spate of damage lawsuits, experts said.

The finding of fact issued Friday by U.S. District Judge Thomas Penfield Jackson said Microsoft had a monopoly in operating system software for personal computers and used its power to punish competitors and harm consumers.

The finding of fact, which endorsed nearly all the U.S. government's allegations of anticompetitive practices against Microsoft, will be used as a basis for determining whether the software juggernaut broke the law.

If Jackson finds Microsoft broke the law, he could move to apply sanctions ranging from restrictions on the way the firm does business to breaking up the company. A final decision may not come until well into next year.

If Microsoft does not settle and Jackson's rulings are upheld, other firms could use the findings for the basis of civil lawsuits against Microsoft, experts said. Firms could cite Jackson's finding that Microsoft was a monopoly and would only need to prove their company was injured by abuse of that monopoly power.

"One benefit to consumers of pursuing this case to a final judgement is that these findings then have a legal affect that they wouldn't otherwise.

They can then be used in other cases by consumers to pursue remedies on their own," said Connecticut Attorney General Richard Blumenthal.

"That is a real public service of the case," added Blumenthal, a spokesman for the 19 states that joined the U.S. Justice Department in bringing the antitrust action, one of the biggest of the century.

If Microsoft and the government settle, however, the finding of monopoly power would never become final and firms seeking to sue the company would have to go through the difficult task of proving it holds monopoly power.

Microsoft, which won an appellate court decision last year in a previous government antitrust action, vowed to continue the legal battle, but founder and chief executive Bill Gates left open the door for resuming settlement negotiations.

"From the very beginning, we've said we would like nothing better than to settle this case," he said following Friday's finding.

Assistant Attorney General Joel Klein, who brought the government action, said the Justice Department would be willing to talk about a settlement so long as Microsoft addressed its violations of consumer choice and stifling of competitors' innovation.

"We have always said we are prepared to discuss settlement so long as the important competition issues are fully addressed," he said. Several earlier attempts at settling the lawsuit have failed.

Analysts and attorneys said late Friday the judge's finding was a stunning decision in favor of the Justice Department and the 19 states that brought the case.

"It's a smashing victory for the government. There is no question about that," said attorney Rich Gray of the Silicon Valley law firm Outside General Counsel. "The judge has accepted substantially all of the government's arguments."

Even Microsoft executives were hard-pressed to find a silver lining in the highly anticipated document.

"The findings of fact are more consistent with the government's claims than they are with Microsoft's defenses," said Bill Neukom, Microsoft's senior vice president for law.

Blumenthal called for tough action against Microsoft, saying, "These are serious and far-reaching violations that should lead to serious and far-reaching remedies."

Klein said Microsoft's abuse of monopoly power had caused "substantial harm to consumers and innovation" and should result in "serious remedial redress." But he said it was premature to say exactly what sanctions Microsoft should face.

Attorneys on both sides said they expected to hold a meeting with Jackson soon to discuss the next steps for the case.

The judge has asked the government to file a brief on Dec. 6 outlining how to apply antitrust laws to Friday's finding, with Microsoft due to file its responding brief on Jan. 17.



The government would then get a chance to file a response by Jan. 24, with Microsoft's final response due Jan. 31.

### Microsoft May Take Chance on Appeal

The judge's initial ruling in the Microsoft antitrust trial is so stunningly sympathetic to the government that lawyers and analysts suggest the software giant may stake its chances on winning an appeal rather than settling the case outside the courtroom.

U.S. District Judge Thomas Penfield Jackson's sometimes indignant tone toward Microsoft's behavior left little doubt he would consider tough penalties, perhaps even a court-ordered breakup of the world's largest software company into smaller businesses.

"All the remedy alternatives are open, including what many people said three months ago was unthinkable," said Glenn Manishin, who helped write a study earlier this year for a prominent trade association that endorsed a breakup. "It's very thinkable now."

The government "has to be emboldened now to ask for about the toughest penalties you can see," agreed Robert Litan, a former senior Justice Department official now at the Brookings Institution. "It is more likely than not that it will ask for a breakup of the company in some form."

Antitrust professor William Kovacic compared tough penalties to a towering skyscraper, with the judge being the architect of a decision that fundamentally could realign the multibillion-dollar technology industry that helps power the nation's surging economy.

"If this were a construction project, the judge has excavated a construction footprint that in theory could support a very tall building," said Kovacic of George Washington University. "Maybe he'll only decide to build 20 stories, but he could build 50 if he wanted to."

Microsoft officials said it was premature to speculate about punishments. Douglas Melamed, a deputy assistant U.S. attorney general, agreed, saying, "You're reading tea leaves. I don't know what the judge has in mind."

Jackson, who presided over 77 days of testimony, late Friday declared Microsoft a monopolist whose aggression stifled innovation and hurt consumers by limiting choices and keeping its software prices high.

In a remarkably blunt decision, the judge wrote some high-tech innovations "that would truly benefit consumers never occur for the sole reason that they do not coincide with Microsoft's self interest." The harm to consumers, he added, was "immediate and easily discernible."

The judge did not identify which U.S. antitrust laws Microsoft might have violated or suggest how the company should be punished. A separate punishment hearing would be held next year, if necessary after Jackson issues his final ruling.

But while both sides sounded willing to discuss a possible settlement in the hours after the judge's findings were issued Friday night, some analysts said Jackson's pointed document made such an outcome less likely.

''It will reduce Microsoft's incentive to settle," said David Yoffie, a Harvard business professor who wrote a book about Netscape's battle with Microsoft. ''Microsoft may feel that any settlement now is likely to be so adverse that it may as well roll the dice and go through a long complicated appeals process."

Added Kovacic: ''This is such a rout it makes it much harder for the government to make concessions after they read all the way through this. The concessions they want from Microsoft are going to be unacceptable. If I'm the government, I say, 'Why sell short? Let's double the stakes.'''

The judge rejected outright almost all of Microsoft's claims, calling one ''specious" and another simply ''false." And, in an unusually bold move, Jackson appeared to contradict conclusions by a federal appeals court last year that had overturned his own decision earlier in this case.

Appellate judges ruled that Microsoft ''clearly met the burden of ascribing facially plausible benefits" of how it designed its Internet browser software included within Windows. It called it ''a genuine integration" but said its decision was ''subject to re-examination."

Jackson did just that, firing back Friday there was ''no technical justification" for the design. He argued that ''Web browsers and operating systems are separate products."

After the judge's findings were released, Microsoft boss Bill Gates said company executives ''respectfully disagree with a number of the court's findings," and he cautioned that the adverse ruling was ''just one step in an ongoing legal process."

''If a judge issues a finding that the sun rises in the West - whether that's startling or surprising - as a practical matter it may not have any relevance to the (final) decision," said Charles ''Rick" Rule, a former senior Justice official now working for Microsoft on the case.

#### States Would Pursue Microsoft Even If U.S. Quits

State attorneys general said Monday they will pursue the landmark Microsoft antitrust case all the way to the Supreme Court if need be, even if it takes years and no matter who the next president or attorney general may be.

A U.S. District Court judge handed down a sweeping condemnation of the software giant's business tactics last week, holding Microsoft Corp. uses monopoly power to harm consumers and competitors.

The judge's ruling is one step in a case brought by the U.S. Justice Department and 19 states that could easily last beyond the end of President Clinton's term in January 2001. A new administration could pursue the case vigorously or drop it.

''If they abandon the case, then it's pretty clear what would happen -- the 19 states would continue it," said Iowa Attorney General Tom Miller, who heads the state effort that runs parallel with that of the federal government.

Connecticut Attorney General Richard Blumenthal, who has also been heavily

involved in the case, agreed.

''Very emphatically and unequivocally we will stay in this lawsuit as long as it takes to reach remedies that correct Microsoft's predatory business practices," said Blumenthal.

''Regardless of what the Department of Justice may do under another administration we're committed to stay the course," Blumenthal said.

Microsoft Chairman Bill Gates has dramatically increased the political giving of his company over the past few years at the federal level.

Should a Republican such as Texas Gov. George W. Bush become president, his top antitrust cop might take a look at individual cases, just as William Baxter did after starting work for President Ronald Reagan in 1981.

''It's inevitable that if there's a Republican administration, they will at least review high-profile cases such as the Microsoft case, just as Baxter did in AT&T and IBM when he was the first assistant attorney general under Reagan," said a Republican antitrust lawyer who has long familiarity with the antitrust agencies.

Baxter dropped the case against IBM and pursued the AT&T case. After a strong preliminary ruling by a federal judge, AT&T agreed to be broken up.

The Reagan administration was far less active than Democratic administrations in bringing cases. Instead, the states became the center of aggressive action against such targets as insurance companies.

Even during Clinton's administration, it was the states that brought tobacco companies to the bargaining table without the participation of the federal government.

Any new assistant attorney general for antitrust will have to clear review by the Senate Judiciary Committee, now headed by Republican Sen. Orrin Hatch. Hatch has been a strong critic of Microsoft's business practices.

Hatch, who would likely continue to head the committee if Republicans retain the Senate in 2000 and if his presidential campaign bid fails, said the judge's findings Friday were ''a significant step in a long but warranted struggle on behalf of innovation and consumers."

#### Judge Rejected Gates' Explanations

The judge behind the blistering ruling against the Microsoft Corp. didn't question the honesty of Bill Gates outright, but he rejected almost every explanation of events offered under oath by the world's most famous billionaire.

The lack of faith that U.S. District Judge Thomas Penfield Jackson showed in Microsoft's trustworthiness could hurt chances for a less severe punishment - or even for a settlement offer - that relied on a company pledge of some future behavior toward rivals in the technology industry.

Once the judge determines which antitrust laws Microsoft broke, he could order punishments as severe as breaking up the company unless a settlement

is reached, which many lawyers and analysts consider unlikely.

Investors showed they weren't ready to abandon Microsoft on Monday. In very heavy trading - about five times the average for the company - shares fell to \$83.50 but then recovered to \$89.933/4, down just \$1.621/2 from last week's close.

The judge, in his antitrust fact-finding statement on Friday, embraced the government's version of key events and Microsoft's motivations.

In one of its most sensational claims during the lawsuit, the Justice Department said Microsoft quietly met with software rival Netscape to illegally divide the market, a charge Gates himself called "an outrageous lie."

The judge called the offer "an effort to persuade Netscape to structure its business such that the company would not distribute platform-level browsing software for Windows." He didn't buy Microsoft's version of events throughout his ruling.

"That's the implication," said Robert Litan, a former senior Justice official now at the Brookings Institution. "He didn't come out and say it, but if you read between the lines, that's certainly what he ended up deciding."

"It's clear he didn't think they had much (credibility)," agreed Marc Schildkraut, a former Federal Trade Commission official who questioned Gates during negotiations with Microsoft in the early 1990s in the FTC's antitrust investigation. "The findings are very one-sided. It's a tough row for them to hoe on that ground."

Throughout Microsoft's case, statements by Gates and others outside the courtroom seemed at times to contradict their legal claims. Stephen Houck, the lead lawyer for the 19 states joining Justice in suing Microsoft, said the company suffered from the problem of "the doggoned witness."

"They encountered three problems: their own witnesses, their own exhibits and their own client, Mr. Gates," Houck said in closing arguments.

Microsoft trial attorneys, for example, said the company's Web browser was inextricably intertwined within Windows, but other company lawyers wrote for an obscure patent last year that "a Web browser ... is separate from the operating system."

The judge decided: "Web browsers and operating systems are separate products."

Microsoft declined to comment on inferences the judge didn't find its trial witnesses truthful.

But the company's renowned aggressiveness - and the implication that executives bent the truth under oath - could hurt the chances for negotiating a settlement or escaping with moderate conduct-remedy penalties - enforced promises not to behave in certain ways.

"Any opponent with a track record of defiance or untrustworthiness in the eyes of the law has to be treated as such," said Richard Blumenthal, attorney general for Connecticut, one of 19 states that sued Microsoft with Justice. "Whenever we talk settlement with an opponent whose credibility and trustworthiness are in question, we would demand very

strict and specific measures of compliance, with severe penalties."

"To simply have a court order saying, 'please play nice and don't do these things' - there are some serious questions whether conduct remedies would be enough," added Wayne Klein, Utah's assistant attorney general. "They're needed, but will they be enough?"

To assuage the judge, Microsoft also will need to overcome a courtroom episode two years ago when it infuriated Jackson. The government had accused the company of violating an agreement in its last major antitrust investigation.

When he ordered Microsoft in December 1997 to separate its Internet browser software from its dominant Windows operating system, the company complied - but after it did, the Windows system didn't work anymore.

"It seemed absolutely clear to you that I entered an order that required you to distribute a product that would not work?" Jackson asked, outraged. "Is that what you're telling me?"

Harry First, the head of antitrust for the New York attorney general, said those types of legal maneuvers don't help the company convince the judge it can be trusted.

"How do they carry out these obligations? Do they cut corners?" First asked. "We've got a bit of a track record. Certainly this judge has seen it in front of him. The past is prologue."

#### AOL Chief Wants Neutral But Cooperative Government

The chairman and chief executive officer of America Online Inc., the world's largest Internet service provider, said Wednesday the government should listen to technology companies and resist the temptation to dictate public policy on matters concerning technology businesses.

Steve Case, chairman and CEO of Dulles, Va.-based AOL, predicted that public and private policy regarding technology will become more blurred in the future and encouraged the government and the industry to cooperate with each other. His prediction was part of a speech to members of Chicago Communications, a nonprofit group that supports the advancement of communications.

His remarks came only days after a federal judge ruled that software giant Microsoft Corp. wields monopoly power and hurts consumers.

"Private industry is going to have to be more pro-active, more forward looking and more willing to shoulder the responsibility of developing policies that protect consumers and maximize choice," Case said. "Government will have to be more willing to listen and to address industry concerns and resist the temptation to dictate solution."

Case also said government policy should be neutral.

"The new medium should be given a command to succeed or fail on its own strength and weakness. It doesn't need advantages nor does it need disadvantages," he said.

When asked how the Microsoft ruling will affect AOL, which is estimated to have a 50 percent share of the Internet connectivity market, Case told Reuters that "it's hard to speculate. It depends on how it gets resolved."

Case also denied AOL had a similar monopoly in its own market.

"We're in a much more competitive market," Case said. "There are 6,000 service providers that we compete with ... so there's far more consumer choice. They pick AOL because they want it, not because it's the only one that's offered."

#### New Computer Virus 'Bubbleboy' Found

Researchers have discovered what they believe to be the first e-mail-borne computer infection that doesn't require a user to open an e-mail or e-mail attachment for it to wreak havoc.

Dubbed "Bubbleboy" after an episode of TV sitcom "Seinfeld," the virus is known as a worm because it is self-propagating. Researchers at antivirus software firm Network Associates Inc. received the computer infection anonymously Monday night at about 10 p.m. local time.

"Historically, as long as you don't open e-mail attachments you're safe from virus infection, but this changes all that," said Sal Viveros, a marketing manager at Network Associates. "We've finally come to the point where if you're using e-mail, specifically (Microsoft Corp.'s) Outlook, you need to have some sort of virus protection or you shouldn't read e-mail."

Although the Bubbleboy virus that researchers received last night didn't cause harm such as deleting files or stealing passwords, it won't be long before variants crop up that are indeed destructive, Viveros said.

"In this case, it's just sending itself all over the place but it could fairly easily delete files or steal passwords," Viveros said.

Bubbleboy appears as an e-mail with "Bubbleboy is Back!" in the subject line and includes pictures and sounds from the Seinfeld episode that gave it its name.

Bubbleboy follows other e-mail-borne viruses that have already swept the Internet such as the "ExploreZip worm," which can erase files from a user's computer, and the Melissa virus, which gained notoriety for its ability to spread quickly but not because it destroyed any data.

Network Associates gave Bubbleboy a "low risk" classification for now because customers haven't yet notified it that the virus has appeared on their computers.

What makes this worm particularly nefarious is that if a user is running Outlook Express and has the preview pane enabled, the worm can infect the computer without the user even opening the e-mail. The preview pane in Outlook Express lets users scan e-mails to see their contents without having to open them first. Other e-mail programs such as Exchange and Lotus Notes are also vulnerable, Viveros said.

"Now just by reading an e-mail you can be infected, and if you're using

Outlook Express you don't even need to read it," Viveros said. The worm will then send itself to everyone listed in that e-mail program's address book.

Bubbleboy refers to a Seinfeld episode in which a boy who lives in a bubble because of a faulty immune system is a big fan of Jerry Seinfeld, who plays himself as a stand-up comic on the popular series. Jerry and George Costanza, a friend of Jerry's, visit the boy and play Trivial Pursuit.

But the answer on one of the cards is misspelled, and the boy in the bubble and George get into a fight. The fight ends with George accidentally popping the boy's bubble.

'But unfortunately, this virus is not very funny," Viveros said.

### Sony Glitch Reveals Subscriber E-mail Addresses

A software flaw allowed advertisers to view the e-mail addresses of subscribers to Sony Music Entertainment Corp.'s Infobeat service, the company said.

The roughly 2.5 million users who subscribe to Infobeat get a daily e-mail update of music and entertainment news. The newsletter contains advertisements that give special URLs for interested consumers.

"By clicking on select advertisements, certain advertisers had the ability to obtain the e-mail address of the user who clicked on the link," the company said in a letter to subscribers.

Sony said it had recently been informed of the error and had fixed the problem, but advised subscribers to set up passwords for their accounts.

The company said it contacted its advertisers, who "confirmed that they did not collect or use any of this information."

Privacy issues have become a hot topic recently. Last week, RealNetworks ran into trouble after it was disclosed that the company had been tracking data about the music its customers downloaded.

Monday, the Federal Trade Commission and the Commerce Department will host a workshop to review whether online profiling practices invade users' privacy. Advocates last week called for the FTC to order a halt on online profiling pending an investigation.

### US House Passes Digital Signature Bill

The House of Representatives on Tuesday approved 356-66 controversial legislation allowing electronic approvals, or "digital signatures," to substitute for written signatures on contracts.

The White House would likely veto the proposal, which it said would reduce consumer rights, but the legislation could be changed after the Senate passes its own version. A conference committee of lawmakers would

have to iron out differences.

Supporters, including the high-tech, banking and insurance industries, said the bill would make financial and other important transactions more efficient, more secure and less costly.

Digital signatures include an array of technologies that rely on passwords, encrypted codes or other electronically transmittable means to verify a person's identity online. The bill would allow people to sign up for bank accounts, buy a car or enter other legally-binding commercial arrangements all online.

"Electronic signatures provide a level of authentication that far surpasses the ink signature that has come to be the accepted standard," said Virginia Republican Thomas Bliley, chairman of the House Commerce Committee. "Electronic transactions have much less of a chance for human error and provide for more reliable retention after the initial transaction takes place."

The bill would also allow companies -- when consumers agree -- to deliver warranties, notices and other required disclosures in electronic form.

Opponents, including consumer groups and the Clinton administration, said they supported wider use of electronic signatures but warned that the bill would erode consumer rights.

Delivering key notices electronically in ways that some consumers might not be able to read could effectively overrule state laws requiring companies to provide notices such as a warning of actions needed to maintain an insurance policy or mortgage, they said.

"It's just breathtaking in its dumping and reneging on consumer laws that exist to protect consumers," said Minnesota Democrat Bruce Vento.

"It is one thing to try to ensure the validity of electronic signatures and I support that effort," said Massachusetts Democrat William Delahunt. "But it's another to use this legislation as an end run around state consumer protection legislation."

Bliley denied that consumers would suffer, adding that the bill exempted from electronic delivery any notices ending utility service, health or life insurance benefits, or warning of eviction or foreclosure.

Michigan Democrat John Dingell responded that he was concerned about notices warning of events that lead to foreclosures or terminations, such as a notice that a payment has not been received.

The House rejected 278-126 an amendment authored by Dingell and several other Democrats that would have dropped the electronic notification provisions of the bill.

#### Microsoft To Offer Office 2000 Over Web

Microsoft Corp. said Tuesday it would offer its Office 2000 software via the Internet.



The company said in a statement said that its new Microsoft Office Online would enable the online delivery of Office 2000 software. "Office Online will provide a choice for Office customers who prefer the benefits of centrally managed software and will be offered to small-business customers through Microsoft's bCentral Web services portal," the statement said.

Steven Sinofsky, vice president of Microsoft Office, said: "We are moving into the next wave of the Web where software and services are delivered together, and we are excited to offer Office 2000 to our customers in this new way."

Office Online users will have the same benefits of the desktop version of Office and other upcoming new Web services.

Office Online will deliver the complete Office 2000 suite to clients running Windows and Windows CE operating systems using Windows NT or Windows 2000's Terminal Services.

### It Appears We're Ready for Y2K

The decision appears to have been made, and it is that a society ingenious enough to create the computer is capable of avoiding disaster because of a few ominous zeroes.

You can tell that the decision has been made by the way people act. Consumers are spending, investors investing, and corporations completing plans for even bigger sales and revenue in 2000.

In short, as Y2K approaches, the vague but intense concerns of earlier this year, such as the fear of economic collapse, seem to have dissolved into mere concern about disruptions and irritations.

As most now understand, if only superficially, Y2K involves the ability of computers to realize we are passing from 1999 to the year 2000, not to 1900.

Maybe no decision was involved at all, just a growing sense of reassurance that the \$50 billion spent by businesses and the \$8.34 billion by government was enough to fix the tiny but massive defect.

True, airline reservations for New Year's week are said to be down, some families are hoarding food and water, and banks are ready for cash withdrawals, but fears of cascading disruptions are fading.

Still, opportunists will exploit the days before year's end with terror tales and rumors, and amulets, tokens, souvenirs, insurance policies and final testaments. Entrepreneurship will be alive and well.

Most likely there'll be some disruptions, even serious, but more localized rather than regional, and very unlikely on a national scale. That is, speaking domestically.

Overseas, it may be a different matter, and since we now have a global economy (oil from the Mideast, for example), certain foreign breakdowns could spread beyond national boundaries.

Still, reassurance comes from government and business: The Senate's Y2K

panel, the Federal Reserve Board, Securities and Exchange Commission, Federal Deposit Insurance Corp., the Pentagon, and telecommunications and financial industries, among others.

Of course, the major question involved in all such reports of Y2K readiness is to what degree these reports reflect the true situation or are designed to quell public doubts while final preparations continue.

For example, in an Oct. 15 letter to House Ways and Means Committee Chairman Bill Archer, R-Texas, Internal Revenue Service Commissioner Charles Rossotti expresses confidence his agency will be ready. But he conceded, "We do have some trouble spots in our effort."

But regardless of surveys and assurances, Americans may be placing more faith in their economy than in anything else.

Their faith is in companies that produced the Internet Age and that seemingly can overcome any obstacle; in the strength of their incomes and ability to spend; and in an economic advance that has trampled for most of a decade the negative expectations of self-styled experts.

That in a sense is like saying, we've faced more threatening situations and come through, so why shouldn't we just overwhelm the enemy again.

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